

CONFIDENTIAL

Form 3160-3
(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*

FORM APPROVED
OMB NO. 1040-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. UTU-057
TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
TYPE OF WELL <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/> OIL WELL GAS WELL OTHER ZONE ZONE		7. UNIT AGREEMENT NAME WONSITS VALLEY UNIT
2. NAME OF OPERATOR QEP UINTA BASIN, INC.		8. FARM OR LEASE NAME, WELL NO. WV 7DML-18-8-22
3. ADDRESS 11002 E. 17500 S. Vernal, Ut 84078		9. API NUMBER: 43-047-37663
4. LOCATION OF WELL (Report location clearly and in accordance with and State requirements*) At Surface 629736X 2648' FNL 1386' FEL, NESE, SECTION 18, T8S, R22E At proposed production zone 4442440Y 40.124174 -109.477430		10. FIELD AND POOL, OR WILDCAT WONSITS VALLEY 710
14. DISTANCE IN MILES FROM NEAREST TOWN OR POSTOFFICE* 33 +/- SOUTHEAST OF VERNAL, UTAH		11. SEC., T, R, M, OR BLK & SURVEY OR AREA SEC. 18 T8S R22E Mer SLB
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (also to nearest drig, unit line if any) 1386' +/-	16. NO. OF ACRES IN LEASE 624.26	12. COUNTY OR PARISH Uintah
18. DISTANCE FROM PROPOSED location to nearest well, drilling, completed, applied for, on this lease, ft	19. PROPOSED DEPTH 11100'	13. STATE UT
21. ELEVATIONS (Show whether DF, RT, GR, ect.) 4929.3' GR	22. DATE WORK WILL START ASAP	17. NO. OF ACRES ASSIGNED TO THIS WELL 20
24. Attachments		20. BLM/BIA Bond No. on file ESB000024
		23. Estimated duration 10 days

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A surface Use Plan (if location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an exisiting bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

SIGNED

Jan Nelson

Name (printed/typed) Jan Nelson

DATE 1-21-06

TITLE Regulatory Affairs

(This space for Federal or State office use)

PERMIT NO. 43-047-37663

APPROVAL DATE

Application approval does not warrant or certify the applicant holds any legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. Hill

TITLE

**BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III**

*See Instructions On Reverse Side

DATE

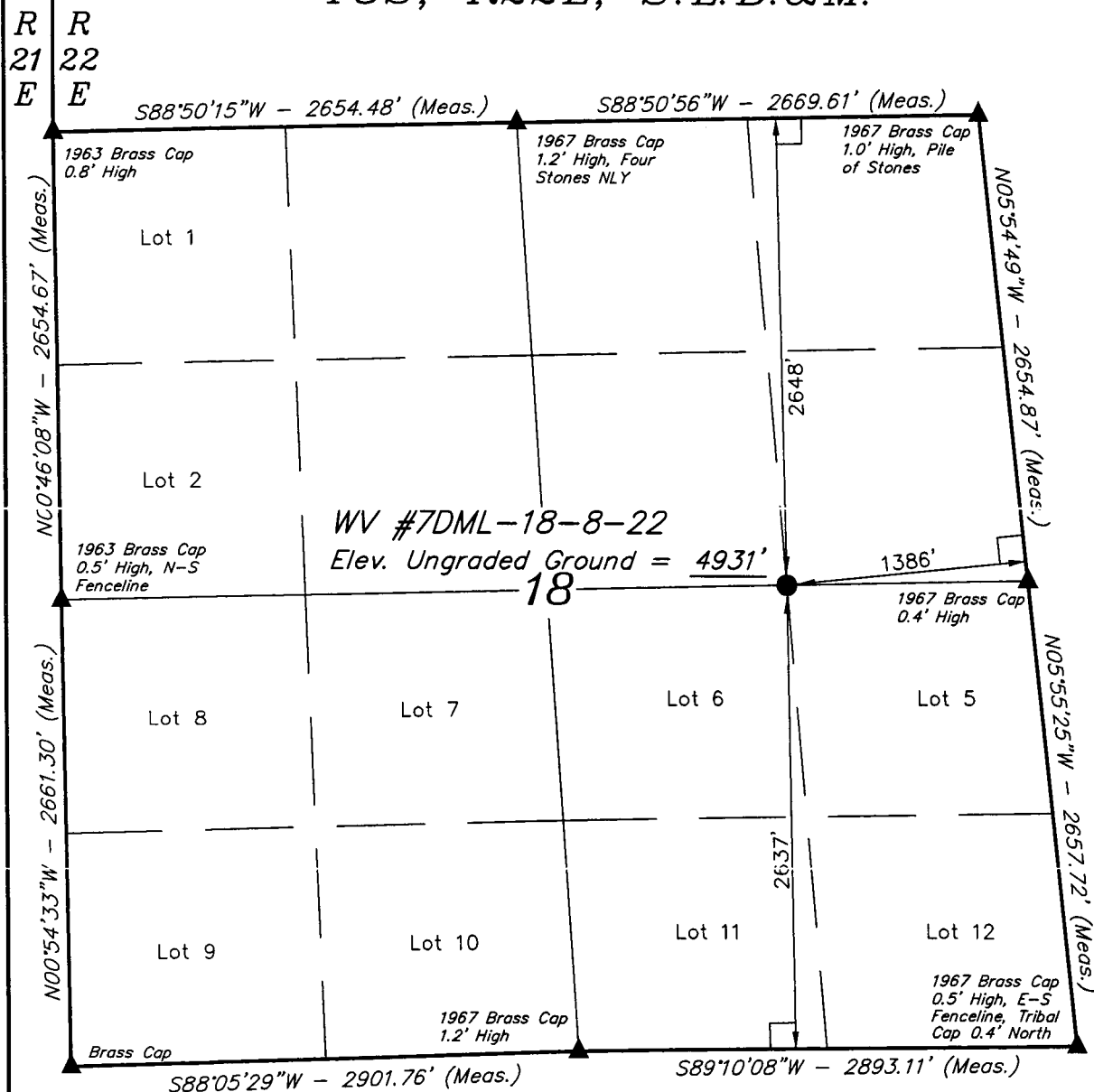
02-13-06

Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction

Federal Approval of this
Action is Necessary

RECEIVED
JAN 31 2006
DIV. OF OIL, GAS & MINING

T8S, R22E, S.L.B.&M.



LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 40°07'26.72" (40.124089)
 LONGITUDE = 109°28'41.32" (109.478144)
 (NAD 27)
 LATITUDE = 40°07'26.85" (40.124125)
 LONGITUDE = 109°28'38.85" (109.477458)

QUESTAR EXPLR. & PROD.

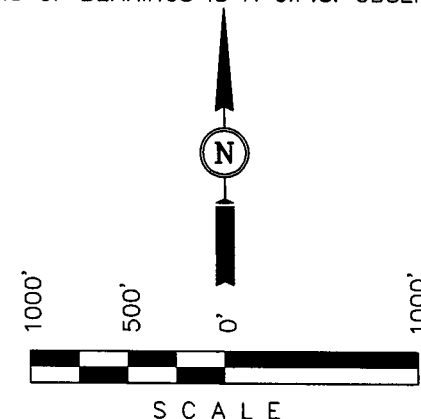
Well location, WV #7DML-18-8-22, located as shown in the NE 1/4 SE 1/4 of Section 18, T8S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Hay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-07-05	DATE DRAWN: 12-11-05
PARTY D.A. C.F. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

QEP Uinta Basin, Inc. proposes to drill a well to 11100' to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements"

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Please be advised that QEP Uinta Basin Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP Uinta Basin Inc. via surety as consent as provided for the 43 CFR 3104.2.

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>
Uinta	Surface
Green River	2695'
Wasatch	5985'
Mesa Verde	8920'
TD	11100'

2. Anticipated Depths of Oil, Gas, Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Oil/Gas	Mesa Verde	11100'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 4814.0 psi.

**QEP UINTA BASIN, INC.
WV 7DML-18-8-22
2648' FNL 1386' FEL
NESE, SECTION 18, T8S, R22E
UINTAH COUNTY, UTAH
LEASE # UTU-057**

ONSHORE ORDER NO. 1

MULTI – POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the WV 7DML-18-8-22 on January 10, 2006. Weather conditions were clear and cold at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler	Bureau of Land Management
Amy Torres	Bureau of Land Management
Jan Nelson	QEP Uinta Basin Inc.

1. Existing Roads:

The proposed well site is approximately 33 miles southeast of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing access road.

2. Planned Access Roads:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Refer to Topo Map D for the location of the proposed pipeline.

QEP requests a surface pipeline based on the following justification included in the attached "Request for Exception".

5. Location and Type of Water Supply:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

6. Source of Construction Materials:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

7. Methods of Handling Waste Materials:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

8. Ancillary Facilities:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Plans for Reclamation of the Surface:

Please see QEP Uinta Basin, Inc. Standard Operating Practices dated October 18, 2005, for Mesa Verde Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and Undesignated fields in Townships 07, 08 and 09 South, Ranges 21 to 25 East.

Interim Reclamation

Please see attached Interim Reclamation plan.

Once the well is put onto production, QEP will reclaim as much of the well pad as possible that will allow for operations to continue in a safe and reasonable manner. Reseeding will be done in the spring or fall of every year to allow winter precipitation to aid in the success of reclamation.

Seed Mix:

Interim Reclamation:

6 lbs Hycrest Crested Wheatgrass

6 lbs Needle & Thread Grass

Final Reclamation:

Seed Mix # 3 3 lbs. Shadscale, 4 lbs. Hycrest Crested Wheat Grass, 3 lbs. Indian Rice Grass and 3 lbs Needle & Thread Grass

11. Surface Ownership:

Bureau of Land Management

170 South 500 East

Vernal, Utah 84078

(435) 781-4400

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

A class III paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted directly to the appropriate agencies by Stephen D. Sandau. The inspection resulted in the location of no fossil resources. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP will provide paleo monitor if needed.

QEP Uinta Basin, Inc.
Request for Exception to Buried Pipeline
for
WV 7DML-18-8-22

QEP respectfully requests an exception to burying this pipeline. We understand the standard Condition of Approval (COA) that may be included in the approved Application for Permit to Drill (APD) is: *“As a Best Management Practice (BMP), the pipeline would be buried within the identified construction width of an access corridor that contains the access road and pipelines. The construction width for the access corridor would increase from 30 feet, by an additional 20 feet, to a total of 50 feet. Exceptions to this BMP may be granted where laterally extensive, hard indurated bedrock, such as sandstone, is at or within 2 feet of the surface; and, soil types with a poor history of successful rehabilitation.”* QEP will install the pipeline within the access corridor and will avoid cross-country installation when possible. Our reason for requesting a surface line is based on the following justification:

Class IV VRM

- ♦ This area’s designated Visual Resource Management is classified as Class IV. The Class IV objective is to provide for management activities that require major modification to the existing character of the landscape. The level of change to the landscape can be high. The management activities may dominate the view and may be the major focus of the viewer attention. However, every attempt should be made to minimize the impact of these activities through careful location, minimal disturbance, and repetition of the basic visual elements of form, line, color, and texture.
- ♦ QEP feels that surface pipe will comply with this classification more so than buried pipe due to the amount of surface disturbance that will be required to bury it. We believe surface installation within the access corridor will minimize the disturbance so that the pipeline does not dominate the view.

Environmental and Safety Concerns:

- ♦ Buried pipe will greatly increase surface disturbance and habitat fragmentation. The soil in this area has a poor history of successful rehabilitation. Buried pipe will have an increased corrosion rate and would need to be dug up for repairs or replacement; the constant surface disturbance will not allow time for successful reclamation.
- ♦ Increasing surface disturbance will greatly increase noxious and invasive weed infestation.

- ♦ With the increased corrosion rate, buried pipe may have undetectable leaks that could go unnoticed for months. Small leaks may turn into large plumes of underground hazards because they are not easily monitored and not seen right away. An undetected leak also increases the potential for explosive incidents. Once detected, the surface will need to be disturbed, once again, to dig up the line and replace or repair it.
- ♦ Accidents associated with pipe breaks during construction activities could increase substantially as the number of buried lines increases.
- ♦ The additional surface disturbance will increase the risk of disturbing paleontological sites.

Operational and Mechanical Concerns for Gas Lines

- ♦ Cathodic protection will be required for buried pipe. Cathodic protection requires anode beds that must be maintained. This will add substantial costs in labor and material. Additional power lines will need to be installed to the anode beds. The additional costs for equipment and labor will be approximately \$50,000.00 per section.
- ♦ Pipeline markers need to be used with buried pipe. This will add costs in labor and material.
- ♦ Every tie in requires a valve. The average distance between valves is approximately ¼ mile. Valves will have to be placed in “freeze boxes” or “valve boxes”. Valve boxes will be considered confined space which increases the manpower needed to repair or replace valves. Every valve box will also require bright yellow guard rails.
- ♦ Additional equipment required for buried pipe can include blades/dozers, trenchers (cutting or blasting in hard rock), side booms, etc. which increases installation costs.
- ♦ Buried pipe must have fusion bonded epoxy (FBE) coating. FBE pipe will cost an additional \$2.00 per foot compared to bare pipe.
- ♦ This pipeline has the potential for being upgraded/upsized to a larger pipe diameter depending on production volumes. If upsizing is required, the pipe will need to be dug up which will cause additional surface disturbance and will not allow adequate time for successful reclamation.
- ♦ Surface lines are sometimes relocated to accommodate new locations; this is done in an effort to minimize the amount of pipe needed and the amount of surface disturbed. If this pipe is buried, this will no longer be an option.

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
QEP Uinta Basin, Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson
Red Wash Representative

21-Jan-06

Date

QUESTAR EXPLR. & PROD.

WV #7DML-18-8-22

LOCATED IN UINTAH COUNTY, UTAH

SECTION 18, T8S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHERLY

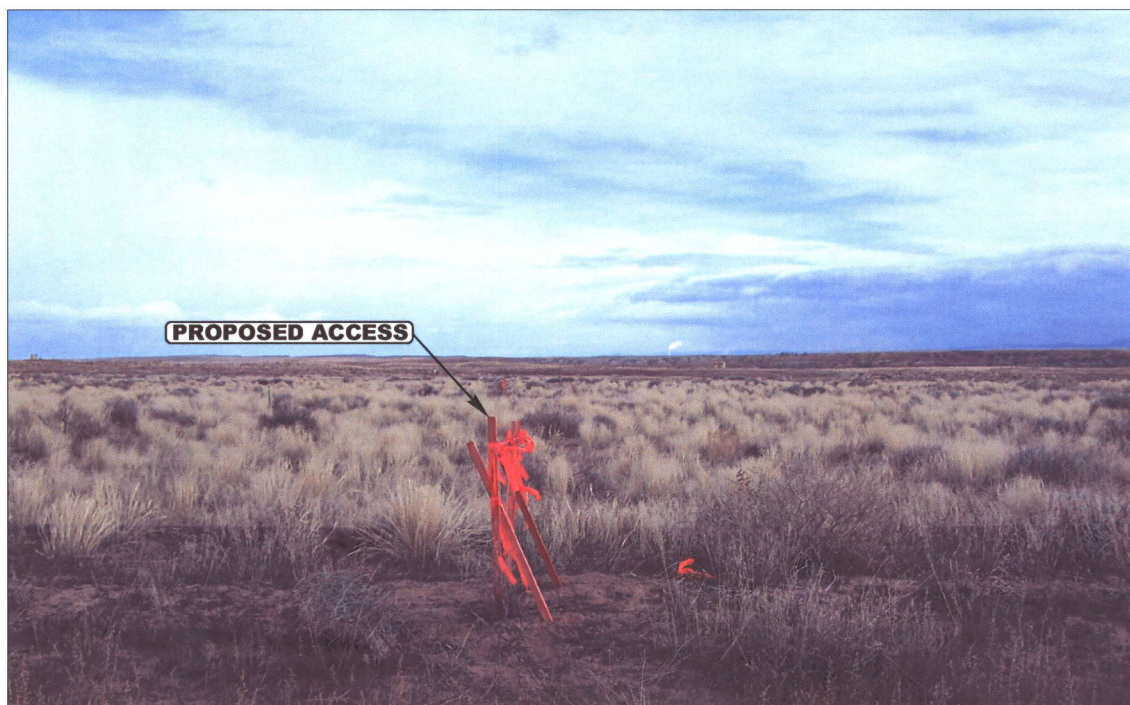


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

12 07 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: L.K.

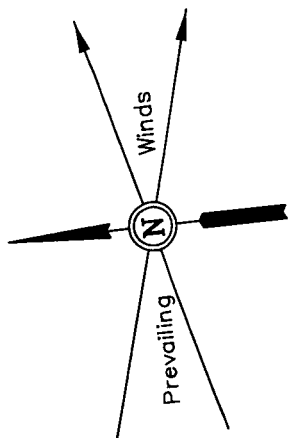
REVISED: 00-00-00

QUESTAR EXPLR. & PROL.

FIGURE #1

LOCATION LAYOUT FOR

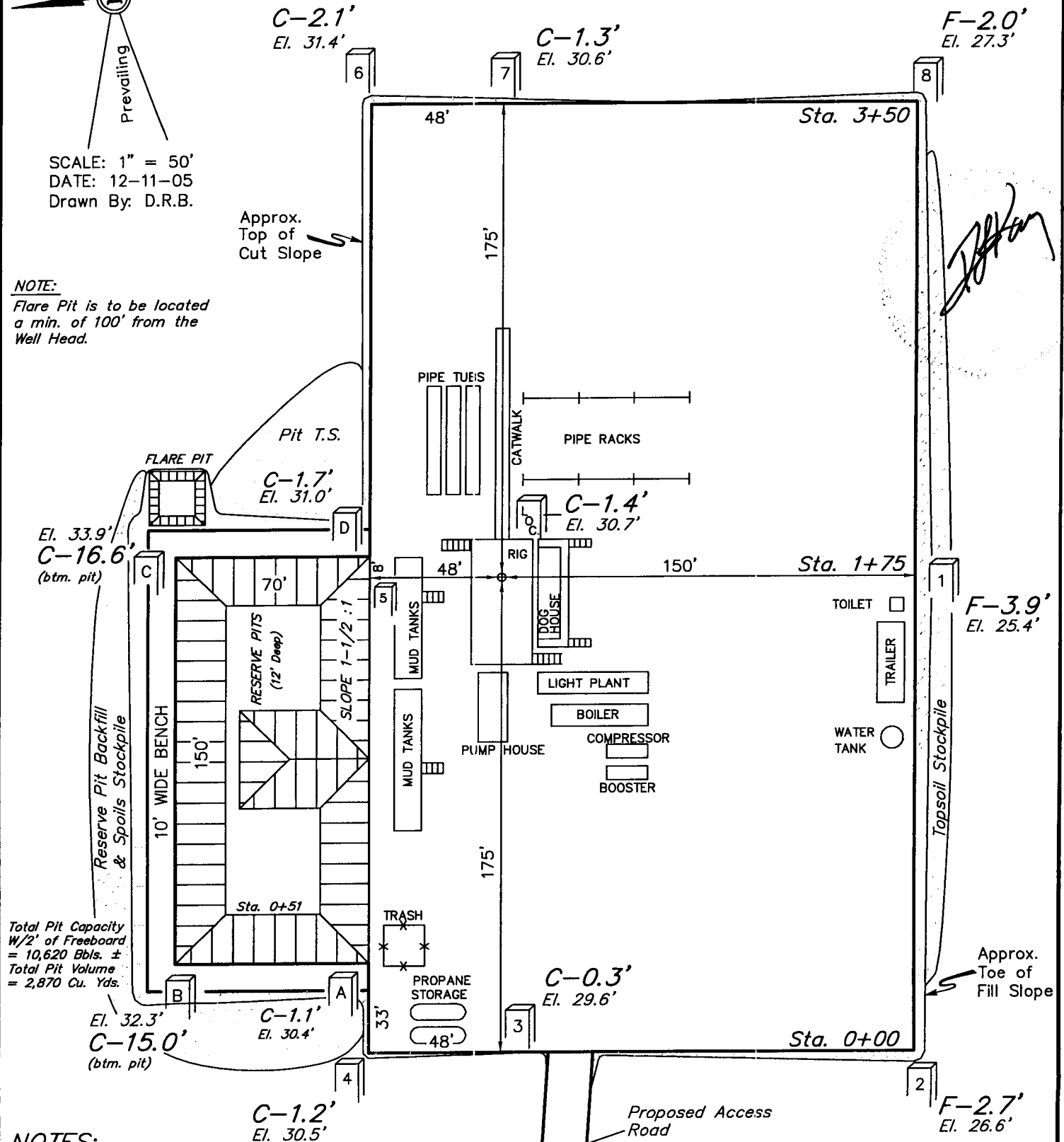
WV #7DML-18-8-22
SECTION 18, T8S, R22E, S.L.B.&M.
2648' FNL 1386' FEL



SCALE: 1" = 50'
DATE: 12-11-05
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4930.7'
FINISHED GRADE ELEV. AT LOC. STAKE = 4929.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROL.

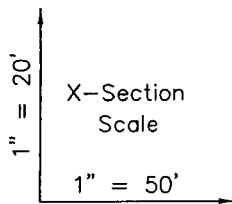
FIGURE #2

TYPICAL CROSS SECTIONS FOR

WV #7DML-18-8-22

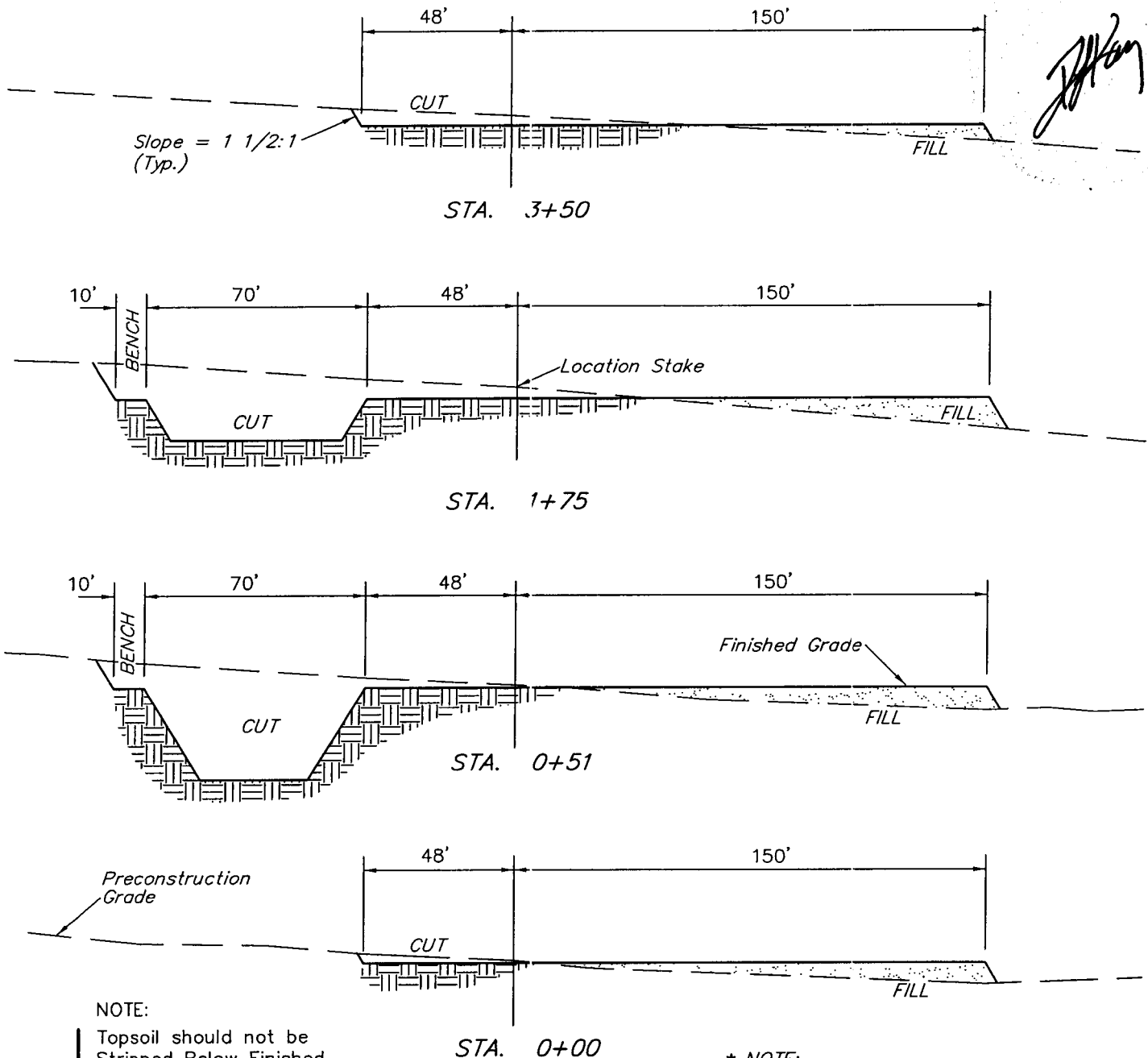
SECTION 18, T8S, R22E, S.L.B.&M.

2648' FNL 1386' FEL



DATE: 12-11-05

Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,670 Cu. Yds.
Remaining Location	= 4,910 Cu. Yds.
TOTAL CUT	= 6,580 CU.YDS.
FILL	= 3,480 CU.YDS.

EXCESS MATERIAL	= 3,110 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,110 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROL.

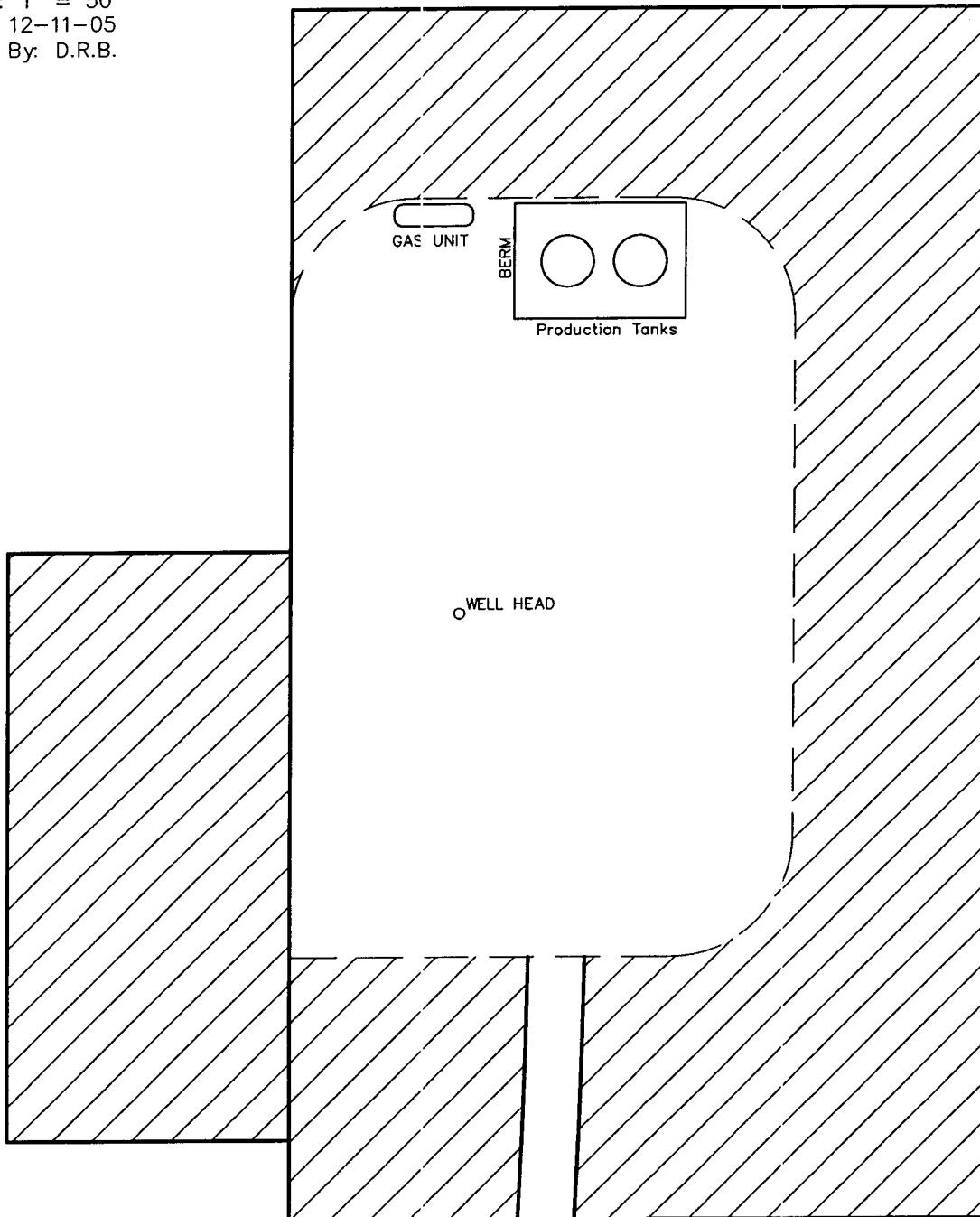
FIGURE #3

INTERIM RECLAMATION PLAN FOR

WV #7DML-18-8-22
SECTION 18, T8S, R22E, S.L.B.&M.
2648' FNL 1386' FEL

[Handwritten signature]

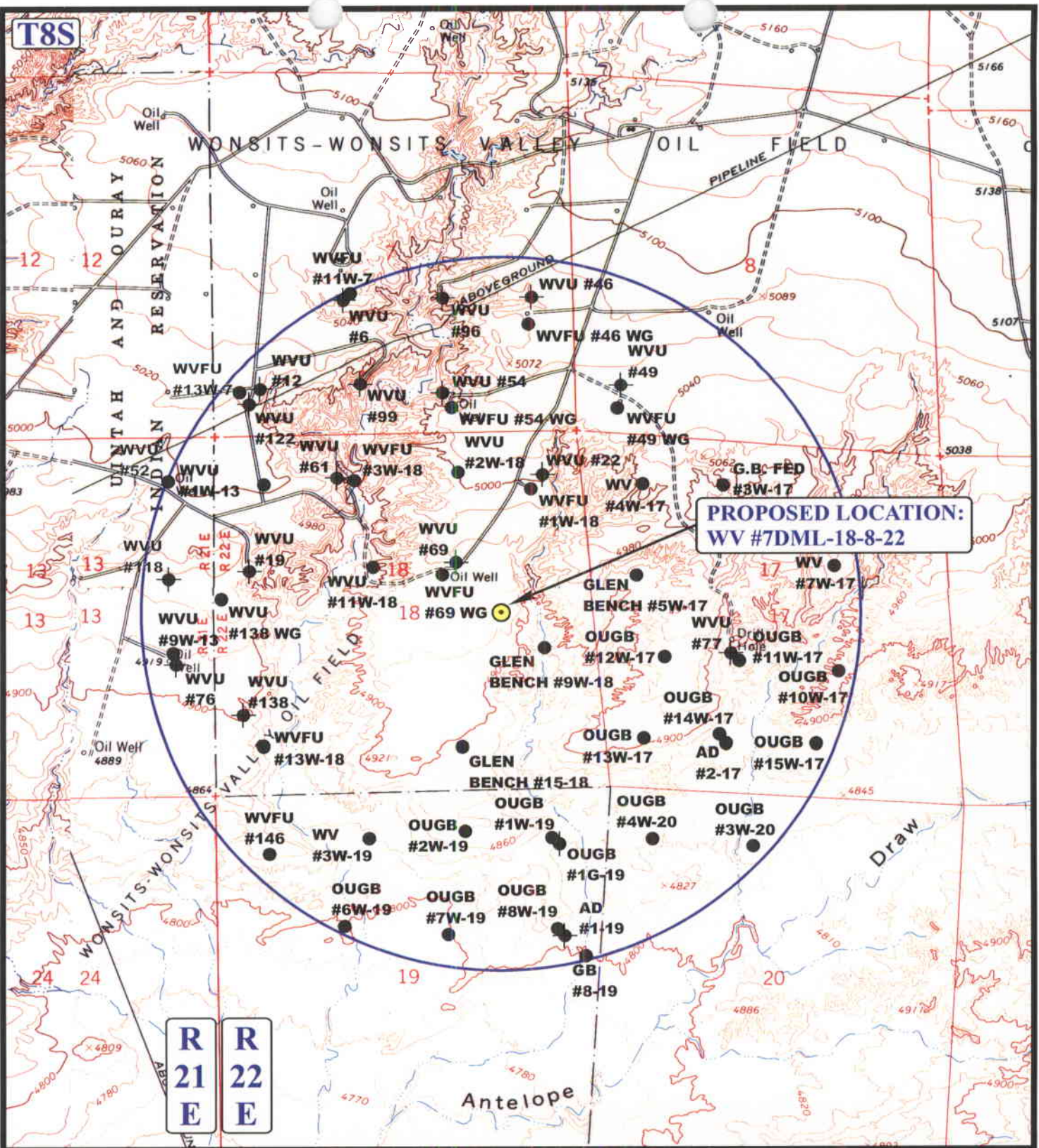
SCALE: 1" = 50'
DATE: 12-11-05
Drawn By: D.R.B.



INTERIM RECLAMATION

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

T8S



PROPOSED LOCATION:
WV #7DML-18-8-22

R 21 E
R 22 E

LEGEND:

- | | |
|-----------------|-----------------------|
| DISPOSAL WELLS | WATER WELLS |
| PRODUCING WELLS | ABANDONED WELLS |
| SHUT IN WELLS | TEMPORARILY ABANDONED |

QUESTAR EXPLR. & PROD.

WV #7DML-18-8-22
SECTION 18, T8S, R22E, S.L.B.&M.
2648' FNL 1386' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

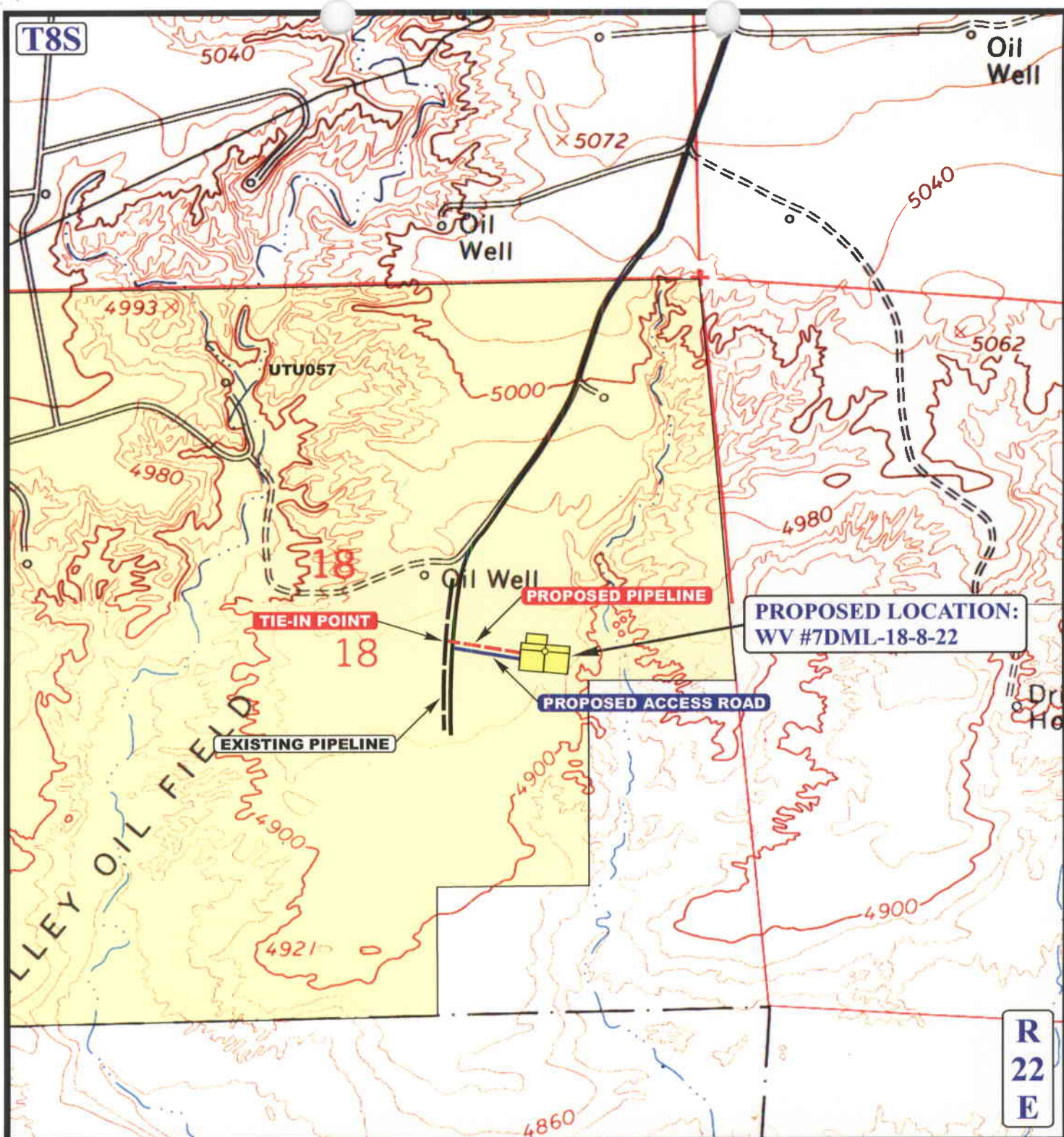


TOPOGRAPHIC
MAP

12 07 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 504' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)



QUESTAR EXPLR. & PROD.

WV #7DML-18-8-22
SECTION 18, T8S, R22E, S.L.B.&M.
2648' FNL 1386' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

12 07 05
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00

**D
TOPO**

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/31/2006

API NO. ASSIGNED: 43-047-37663

WELL NAME: WV 7DML-18-8-22

OPERATOR: QEP UINTA BASIN, INC. (N2460)

PHONE NUMBER: 435-781-4331

CONTACT: JAN NELSON

PROPOSED LOCATION:

NESE 18 080S 220E

SURFACE: 2648 FNL 1386 FEL

BOTTOM: 2648 FNL 1386 FEL

COUNTY: UINTAH

LATITUDE: 40.12417 LONGITUDE: -109.4774

UTM SURF EASTINGS: 629736 NORTHINGS: 4442440

FIELD NAME: WONSITS VALLEY (710)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-057

PROPOSED FORMATION: MVRD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 43-8496)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

* Non PA

Unit: WONSITS VALLEY

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

___ R649-3-11. Directional Drill

COMMENTS:

See Separate file

STIPULATIONS:

1. Federal Approval
2. Spacing Set



February 9, 2006

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 QEP Uinta Basin, Inc. WV 7DML-18-8-22 is an exception to this rule due to a part of a 20 acre pilot program. This well will be drilled on 20 acre spacing, as the general well location regulations have been vacated for this Wonsits Valley Unit.

There are no additional lease owners within 460' of the proposed location. If you have any question please contact Jan Nelson @ (435) 781-4331.

Thank you,

Jan Nelson
Regulatory Affairs

RECEIVED

FEB 10 2006

DIV OF OIL, GAS & MIN

R
21
E

100°46'08"W - 2654.67' (Meas.)

100°54'33"W - 2661.30' (Meas.)

T8S, R22E, S.L.B.&M.

S88°50'15"W - 2654.48' (Meas.)

S88°50'56"W - 2669.61' (Meas.)

N05°54'49"W - 2654.87' (Meas.)

N05°55'25"W - 2657.72' (Meas.)

Lot 1

Lot 2

Lot 8

Lot 7

Lot 6

Lot 5

Lot 9

Wonsits
Valley
Unit

Lot 11

Lot 12

Brass Cap

S88°05'29"W - 2901.76' (Meas.)

S89°10'08"W - 2893.11' (Meas.)

1967 Brass Cap
1.2' High

1967 Brass Cap
0.5' High, E-S
Fence Line, Tribal
Cap 0.4' North

1967 Brass Cap
1.2' High, Four
Stones NLY

1967 Brass Cap
1.0' High, Pile
of Stones

1963 Brass Cap
0.5' High, N-S
Fence Line

400-ft
window

460-ft R

WV #7DML-18-8-22
Elev. Ungraded Ground = 4931'

1386'

1967 Brass Cap
0.4' High

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 40°07'26.72" (40.124089)

LONGITUDE = 109°28'41.32" (109.478144)

(NAD 27)

LATITUDE = 40°07'26.85" (40.124125)

LONGITUDE = 109°28'38.85" (109.477458)

QUESTAR EXPLR. & PROD.

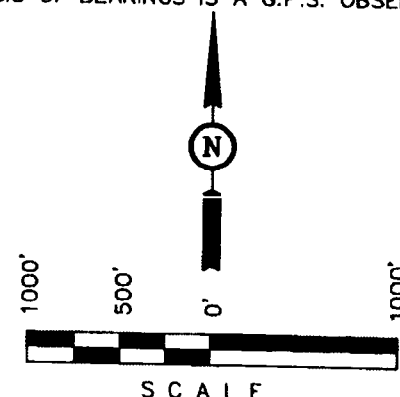
Well location, WV #7DML-18-8-22, located as shown in the NE 1/4 SE 1/4 of Section 18, T8S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 12345
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-07-05	DATE DRAWN: 12-11-05
PARTY D.A. C.F. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 13, 2006

QEP Uinta Basin, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Wonsits Valley 7DML-18-8-22 Well, 2648' FNL, 1386' FEL, NE SE, Sec. 18,
T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37663.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP Uinta Basin, Inc.
Well Name & Number Wonsits Valley 7DML-18-8-22
API Number: 43-047-37663
Lease: UTU-057

Location: NE SE **Sec.** 18 **T.** 8 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 22, 2006

Jan Nelson
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded -WV 7DML-18-8-22 Sec. 18, T. 8S R. 22E
Uintah County, Utah API No. 43-047-37663


Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 13, 2006. On May 15, 2006, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 15, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal